

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

-----X		
HONEYWELL INTERNATIONAL INC., et al.)	
)	
Plaintiffs)	
)	C.A. No. 04-1338 (KAJ)
v.)	
)	
APPLE COMPUTER INC., et al.)	
)	
Defendants.)	
)	
-----X		

**DEFENDANT FUJI PHOTO FILM CO., LTD.'S REPLY IN OPPOSITION
TO HONEYWELL'S ANSWERING BRIEF AND IN FURTHER SUPPORT
OF TOSHIBA'S FED. R. CIV. P. 42(b) MOTION FOR BIFURCATION
OF LIABILITY AND DAMAGES**

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I. INTRODUCTION

On April 15, 2005, Defendant Toshiba Corporation (“Toshiba”) filed a Motion for Bifurcation of liability and damages (D.I. 164). On April 22, 2005, defendant Fuji Photo Film Co., Ltd. (“Fuji”) filed a memorandum in support of Toshiba’s motion (D.I. 166). Fuji submits herein its reply to Honeywell’s answering brief (D.I. 170) and in further support of Toshiba’s motion.

II. ARGUMENT

In its opposition, Honeywell asserts that its case is “simple” because only one patent with three claims are involved. Not surprisingly, Honeywell ignores that it has brought 35 defendants into this Court, asserted a patent issued more than ten years ago against those defendants and, by its actions, has implicated literally hundreds of accused products. Clearly, this case is far from “simple.”

The cases that Honeywell cites against bifurcation are inapplicable to the procedural scenario confronting this Court and the litigants in this case. Almost without exception, the cases relied on by Honeywell involved fewer parties than those present here. For example, Honeywell relies heavily on *Johns Hopkins University v. Cellpro*, 160 F.R.D. 30 (D. Del. 1995), *aff’d in part, rev’d in part, on other grounds*, 152 F.3d 1342 (Fed. Cir. 1998) (Honeywell Ans. Brf at 6, 8-9). *Johns Hopkins* is inapplicable. The case involved only two plaintiffs and one defendant. Moreover, the court did not find the damages issue to be complex because the defendant was a relatively new company with a product not yet even on the market.

Similarly, in *Joy Techs., Inc. v. Flakt, Inc.*, 772 F. Supp. 842 (D. Del. 1992), a case involving one plaintiff and one defendant, the court found at least a limited amount of overlapping evidence on the issues of evaluation of prior art and commercial success. However, the court also stated that it was not fully convinced of the plaintiff’s assertion that in order to

contest the laches defense, it must be able to inquire into alleged damages during the liability phase, which seems to be what Honeywell is arguing.

In *Laitram Corp. v. Hewlett-Packard Co.*, 791 F. Supp. 113 (E.D. La. 1992) (one plaintiff and one defendant), the court stated that, while separate trials were the exception, it acknowledged "that does not mean that there are not often special considerations in patent controversies which make these cases candidates for some kind of special trial management." Further, the court denied separate trials, but ordered a single trial with separate stages, liability first then damages then willfulness because proceeding with liability and damages together with complex issues will needlessly confuse jury and cause prejudice.

Honeywell's citation to *THK America Inc. v. Nippon Seiko K K*, 151 F.R.D. 625 (N.D. Ill. 1991) is inappropriate because, in that case, bifurcation was considered only after discovery had commenced. Here, by contrast, discovery has yet to begin. Honeywell's reliance on *Willemijn Houdstermaatschappij BV v. Apollo Computer, Inc.*, 707 F. Supp. 1429 (D. Del. 1989), is similarly misplaced. In *Willemijn*, a case involving but one plaintiff and one defendant, the court denied bifurcation but acknowledged that the issue of commercial success is not "ordinarily determined by a detailed analysis of exhaustive and intricate financial data, such as is required for proof of damages, but rather, whether the product is, broadly speaking, an accepted product and a big seller."

Finally, in *Helminski v. Ayerst Labs.*, 766 F.2d 208 (6th Cir. 1985), a case that Honeywell cites for the general proposition that bifurcation is appropriate when the evidence to be adduced in the two phases is "wholly unrelated," involved an appeal taken by the plaintiff who argued that the district court judge abused his discretion by granting bifurcation. In fact, the Sixth Circuit subsequently affirmed bifurcation, a fact never noted by Honeywell.

III. CONCLUSION

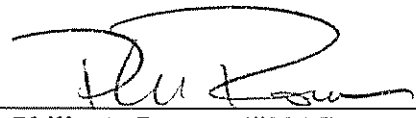
Accordingly, to the extent its transfer motion is denied, Fuji respectfully requests that bifurcation should be granted and a stay of discovery on damage issues (including bifurcation) should be ordered.

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UNITED STATES DISTRICT COURT

DISTRICT OF DELAWARE

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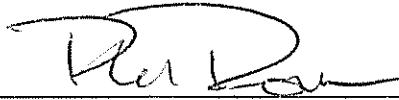
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